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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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| Order Instituting Rulemaking on the Commission's Own Motion to Conduct a Comprehensive Examination of Investor Owned Electric Utilities' Residential Rate Structures, the Transition to Time Varying and Dynamic Rates, and Other Statutory Obligations. | Rulemaking 12-06-013 (Filed June 21, 2012) |
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**DECISION GRATING INTERVENOR COMPENSATION TO SIERRA CLUB
FOR SUBSTANTIAL CONTRIBUTION TO DECISION 15-07-001**

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| Intervenor: Sierra Club | For contribution to Decision (D.) 15-07-001 |
| Claimed: \$403,800.31 | Awarded: \$399,925.06 (reduced 0.96%) |
| Assigned Commissioner: Michael Picker | Assigned ALJ: Julie M. Halligan |

PART I: PROCEDURAL ISSUES

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| A. Brief description of Decision: | <p>Decision 15-07-001 is the culmination of a three-year long examination of proposed residential rate reforms for the three major investor-owned utilities in California. The Decision makes significant changes to residential rates and follows the passage of AB 327 (2014), which gave the PUC authority to impose up to a \$10 fixed charge and consolidate what had become highly differentiated tiered rates as a result of previous legal limitations on rate increases for lower tier usage. The main components of D.15-07-001 are:</p> <ol style="list-style-type: none"> 1) Reducing the number of tiers from four to two and reducing the rate differential between tiers to a 1:1.25 differential. The Decision also creates a new super user energy surcharge (SUE) for those customers consuming 400% over baseline. 2) The Decision moves California towards default TOU rates in 2019. The specifics of the future TOU rate(s) and use of pilots would follow in a subsequent phase of the proceeding. 3) Adoption of a \$10 minimum bill. A fixed charge was not adopted and would be revisited once default TOU rates were implemented. |
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| | D.15-07-001 was the product of robust debate and embodied compromises between the proposed decision which contained less differentiated tiers, no surcharge, and a strong presumption of a future fixed charge and an alternate proposed decision, which rejected a fixed charge and proposed rates with 3 more differentiated tiers. |
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B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:

| | Intervenor | CPUC Verified |
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| Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)): | | |
| 1. Date of Prehearing Conference (PHC): | October 24, 2012 | Verified. |
| 2. Other specified date for NOI: | | |
| 3. Date NOI filed: | November 26, 2012 | Verified. |
| 4. Was the NOI timely filed? | | Yes, Sierra Club timely filed the notice of intent since November 23, 2012 was a state holiday, allowing the notice to be filed on the next date the Commission officers were open – Monday, November 26, 2012. See Rules of Practice and Procedure, Rule 1.15. |
| Showing of customer or customer-related status (§ 1802(b)): | | |
| 5. Based on ALJ ruling issued in proceeding number: | A.10-03-014 | Verified. |
| 6. Date of ALJ ruling: | November 30, 2010 | Verified. |
| 7. Based on another CPUC determination (specify): | | |
| 8. Has the Intervenor demonstrated customer or customer-related status? | | Yes, Sierra Club demonstrated appropriate status. |

| Showing of “significant financial hardship” (§ 1802(g)): | | |
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| 9. Based on ALJ ruling issued in proceeding number: | R.12-06-013 | Verified. |
| 10. Date of ALJ ruling: | February 25, 2013 | Verified. |
| 11. Based on another CPUC determination (specify): | | |
| 12. Has the Intervenor demonstrated significant financial hardship? | | Yes, Sierra Club demonstrated significant financial hardship. |
| Timely request for compensation (§ 1804(c)): | | |
| 13. Identify Final Decision: | D.15-07-001 | Verified. |
| 14. Date of issuance of Final Order or Decision: | July 13, 2015 | Verified. |
| 15. File date of compensation request: | September 11, 2015 | Verified. |
| 16. Was the request for compensation timely? | | Yes, Sierra Club timely filed the request for compensation. |

C. Additional Comments on Part I:

| # | Intervenor’s Comment(s) | CPUC Discussion |
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| # 13 | Contributions to D.14-06-029. This request includes substantial contributions Sierra Club made to D.14-06-029, the Commission’s Phase 2 Decision in this proceeding adopting 2014 rates, described below as Contribution #6. D.14-06-029 was an interim rate decision. Specific rate design elements were debated through the Utilities’ rate design proposals in Phase 3, and a more comprehensive resolution was adopted in D.15-07-001. Given these decisions are in the same proceeding, the interim nature of D.14-06-029, and the benefits of avoided duplication in filing a single comp request for both decisions, this request is timely with | Verified. |

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| | regard to its contributions to D.14-06-029. | |
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PART II: SUBSTANTIAL CONTRIBUTION**A. Did the Intervenor substantially contribute to the final decision (see § 1802(i), § 1803(a), and D.98-04-059).**

| Intervenor's Claimed Contribution(s) | Specific References to Intervenor's Claimed Contribution(s) | CPUC Discussion |
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| <p><u>1. Accounting for Environmental Considerations in Rate Design:</u> The overarching focus of Sierra Club advocacy was to ensure a final rate design decision supported California's energy and climate goals and was consistent with rate design principles to encourage conservation and efficiency. Sierra Club pushed these points at every stage of this three-year proceeding and provided expert analysis on the impact of rates on investments in energy efficiency and behind-the-meter ("BTM") generation.</p> <ul style="list-style-type: none"> • In Phase 1 of the proceeding, Sierra Club actively participated in workshops articulating the importance of conservation, energy efficiency, and demand reduction within the Rate Design Principles (RDPs) and submitted a rate design proposal that would facilitate robust deployment of BTM generation and energy efficiency measures that was presented at the June 25, 2013 workshop. Residential Rate Proposal (6/3/13). • Throughout the proceeding, Sierra Club advocated for the increasing importance of considering rates' impacts on energy conservation and efficiency, as well as on | <ul style="list-style-type: none"> • The RDPs adopted by the Commission included the principles that "Rates should encourage conservation and energy efficiency," and that "Rates should encourage reduction of both coincident and non-coincident peak demand." Decision, pp. 27-28. • The Decision adopts Sierra Club's view of the increasing importance of environmental considerations, holding that rate setting historically "emphasized | <p>Verified. Sierra Club advocated for rate design that supported California's energy and climate goals and contributed to the Commission's decisionmaking process in this area.</p> |

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| <p>customer-side distributed generation, given that meeting California's greenhouse gas reduction goals will require "robust action on all fronts." Opening Brief (1/5/2015) pp. 1, 5-6. <i>See also</i> Joint Reply Brief (1/26/15) p. 3; Opening Comments on Joint Ruling (10/5/2012) pp. 3-6; Residential Rate Proposal (6/3/2013); Joint Opening Comments on Proposed Decision (5/11/2015) pp. 1-2, 8-9.</p> <ul style="list-style-type: none"> • Sierra Club's expert witness presented testimony on how changes to rate design affect decision-making on investments in BTM generation as well as four specific energy efficient technologies (efficient air conditioners, LED lightbulbs, electric water heaters). Sierra Club was the only party to present testimony on the proposed rates' impact on long-term conservation through investments in energy-saving technologies. Exh. 101 (Opening Testimony), <i>passim</i>. <p>For example, Sierra Club explained that:</p> <ul style="list-style-type: none"> ○ "As the price of a kilowatt hour rises or falls, so does the savings from conserving (or avoiding generation of) that kilowatt hour." Exh. 101 (Opening Testimony), p. 6. ○ Scientific literature on payback | <p>cost-causation [but i]n recent years, changes in energy use to protect the environment have become increasingly important." Decision, p. 2; <i>see also</i> pp. 33-34 (acknowledging Pub. Util. Code section Section 739.9 (e)(2), the Energy Action Plan, and the Loading Order).</p> <ul style="list-style-type: none"> • While the Decision flattens rates to a greater extent than Sierra Club advocated for, the Decision recognizes Sierra Club's contribution to the robust debate on this issue. <i>See</i> Decision at p. 53, discussing Sierra Club's modeling in depth. The Decision acknowledges that "our adopted residential rate design will potentially affect, to some degree, the economic attractiveness of energy efficiency measures" accepts the fundamental conclusion of Sierra Club's testimony that that payback periods for investments in energy efficiency will get longer if the tier structure is flattened. <i>See</i> Decision p. 61; 310 (Finding of Fact 19). <p>The Decision additionally acknowledges that:</p> <ul style="list-style-type: none"> ○ "As the price of a kilowatt hour rises or falls, so does the savings from conserving (or avoiding generation of) that kilowatt hour." Decision, p. 52. <p>The Decision addresses Sierra</p> | |
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| <p>periods for these investments shows that “acceptable payback periods may be very short, and that the customers with the shortest payback periods make up the biggest market share for energy efficient technologies.” <i>See, e.g.</i> Opening Testimony at pp. 6-7, 9-10; Opening Brief at pp. 10, 13 -14.</p> <p>○ Sierra Club challenged the IOUs' modelling of behavioral conservation, pointing out that "Tier 1, 'baseline' energy usage is often subsistence or necessity energy use, and thus it is less likely that customers can reduce their Tier 1 consumption. Exh. 101 (Opening Testimony), p. 23.</p> | <p>Club’s argument that “the payback period for low and medium-usage customers remains higher than most people are willing to wait to break even on an investment” and that “lower marginal tier prices will reduce the incentive for customers to buy new appliances (since it weakens the payback period) and thereby weakens the impact of improved appliance standards.” Decision at. pp. 44-45; 54-55.</p> <p>○ The Decision agreed that “[c]ustomers with low usage are likely to have less discretionary use than high usage customers.” Finding of Fact 13, <i>see also</i> Decision, pp. 33, 57, 60-61.</p> | |
| <p>2. Tiers: Sierra Club advocated for a three-tiered rate structure as necessary to encourage conservation and discourage very high usage. Sierra Club’s proposal was for three tiers with a 1:1.5:2.0 differential.</p> <p>• Throughout the proceeding, Sierra Club advocated for meaningfully tiered rates to incentivize investments in efficient technology as well as behavioral conservation. Sierra Club advocacy included modelling by its expert on the change in</p> | <p>The PD adopted the utility position of two tiers with a 1:1.2 differential. The APD proposed three tiers with a 1:1.3:1.7 differential. D.15-07-001 ultimately adopted three tiers, the first two with a 1:1.25 differential and a third tier at 400% above baseline called a Super User (SUE) surcharge, intended to send a signal to very high energy users. Decision at pp. 118 – 125.</p> <p>• The Decision:</p> <p>○ Adopts Sierra Club’s argument that “[o]ne purpose of the inclining block rate structure is to encourage residential customers to reduce aggregate electricity consumption.” Decision, Finding of Fact 2.</p> | <p>Verified.</p> |

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| <p>payback period in BTM and energy efficiency investment resulting from changes in the number and differential of tiers. This included analysis of the impact of IOU proposals on tier reduction in BTM and EE investments. See, e.g. June 2013 Proposal, p. 2, 18-36; Exh. 101 (Opening Testimony) pp. 1, 13-23, 30-34, 54-57; Opening Brief (1/5/2015) pp. 12-15; Joint Reply Brief (1/25/2015) pp. 18-19.</p> <ul style="list-style-type: none"> • “A high use surcharge is a reasonable substitute for high upper tier rates that discourage extremely high use of energy and encourage conservation.” Joint Reply Comments on Proposed Decision (5/18/2015), p. 4. • While the primary focus of Sierra Club’s advocacy was on the environmental implications of significant collapsing of tiers, Sierra Club tied tier structure to other rate design principles, including equity and impact on low-income customers. See, e.g. Opening Br. (1/5/2015) p. 15; Joint Reply Br. (1/25/2015) p. 11, Ex Parte Notice (06/18/2015) (bringing in customers from inland community in SCE service territory that work to conserve and limit energy bill to explain impact of PD on annual bill on household budget). | <ul style="list-style-type: none"> ○ Holds that “[s]teeply tiered rates provide a financial incentive for high usage customers to invest in energy efficiency improvements and rooftop solar.” Decision, Finding of Fact 56. ○ Holds that “[A] dramatic price signal, such as a high user surcharge for the small group of customers who use the most energy, can be used to effectively target customers with extreme usage.” Decision, p. 103. • The Decision ultimately “decline[d] to conclude that rate design proposals that impact low-usage customers necessarily impact low-income and moderate-income ratepayers on a class-wide basis.” Decision, p. 76. However, this conclusion came after substantial debate on the issue. See, e.g. Decision p. 72 (discussing Sierra Club’s evidence on high income customers and energy use). | |
| <p>3. Fixed Charge: Sierra Club argued that an unavoidable fixed charge was an unnecessary rate element that impaired conservation,</p> | <p>The initial Proposed Decision approved fixed charges to be added later. The Alternate Proposed Decision rejected fixed charges</p> | <p>Verified. Other intervenors, including CforAT/Greenlining</p> |

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| <p>energy efficiency, and investment in BTM generation, and that a minimum bill was a better solution.</p> <ul style="list-style-type: none"> • Sierra Club presented expert testimony isolating the impact of a \$10 fixed charge, and demonstrating that it amplified the negative conservation impacts of the Utilities’ proposed tiered and TOU rate designs by reducing customers’ incentive to save energy because it reduced the amount of the monthly bill that could be avoided. <i>See</i> Exh. 101, (9/15/2015), pp. 4, 25; Opening Brief (1/5/2015), p. 2. • Sierra Club presented evidence on Commission precedent rejecting fixed charges for conservation reasons in 2011 and 2014. Opening Brief (1/5/2015), p. 17. • Sierra Club recommended a minimum bill as a superior, more equitable mechanism to recover a sufficient share of the Utilities’ fixed costs from very low use customers, without impacting conservation and efficiency. Exh. 101 (9/15/2015), pp. 29-30, Opening Brief (1/5/2015), pp. 16-17. | <p>outright, reflecting many of Sierra Club’s arguments. The final Decision represented a middle ground between these two earlier decisions, holding that “that the fixed charge proposals of the three IOUs are rejected,” but would revisit the issue once default TOU rates are implemented in 2019 without predetermining an outcome. In lieu of a fixed charge, the Decision adopted instead a minimum bill. Decision, p. 307.</p> <ul style="list-style-type: none"> • Findings of Fact 20, 164, 165, and 168 acknowledge Sierra Club’s contentions that a fixed charge “could decrease conservation” because it cannot be avoided by conserving energy and will decrease volumetric rates. Decision, pp. 310, 322. • The Decision cites this precedent against fixed charges in its discussion at p. 208. • The Decision adopts a minimum bill instead of a fixed charge because a minimum bill “avoids any potential negative impact on conservation associated with a fixed charge, and it protects lower-usage customers whose fixed costs might be lower.” Decision at p. 221. | <p>and Vote Solar, advanced similar positions.</p> |
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| <p>4. <u>Time of Use Rates</u>: ierra Club advocated throughout the proceeding for a prompt transition to default time of use (TOU) rates. In terms of TOU design, Sierra Club focused its advocacy on the importance of including a baseline credit in any default rate as well as pilot rates: consistent with Sierra Club’s focus on environmental outcomes, a baseline credit is necessary in order to encourage overall conservation in addition to the load shifting TOU rates incentivize.</p> <p>Sierra Club made three main arguments on how to structure TOU rates for maximum environmental impact:</p> <p>a. Sierra Club was one of three parties (along with ORA and EDF) to support a transition to default TOU, because of how TOU rates can reflect cost causation, can obviate the need to make costly infrastructure investments by forestalling peak demand growth, and can help to integrate flexible resources. <i>See, e.g. Rate Proposal (05/29/2013), p. 4; Exh. 101 (09/15/2015), pp. 40-41; Opening Brief (01/05/2015), p. 27-28.</i></p> <p>b. Sierra Club focused its TOU testimony on demonstrating the importance of a baseline credit in TOU rates, by:</p> <ul style="list-style-type: none"> • Submitting expert testimony demonstrating how a 10-cent | <p>The Decision adopts a transition to default TOU in 2019, and requires rates to contain a meaningful baseline credit. Decision, pp. 136 - 138.</p> <p>a. The Decision recognizes the potential environmental and system benefits of TOU rates that Sierra Club advocated, holding that TOU rates:</p> <ul style="list-style-type: none"> • can reflect the different cost of energy throughout the day. <i>See Findings of Fact 43 and 47, pp. 312-313.</i> • “can also reduce the cost of infrastructure by reducing the need for peaker plants.” Decision p. 129, Findings of Fact 37 -39, p. 312. • can allow “a greater proportion of intermittent renewables to be integrated into the grid.” Decision, p. 80. <p>b. The Decision requires a baseline credit on default TOU rates, on at least one available optional TOU rate, and in any TOU pilot. Decision, pp. 136-138; p. 331</p> | <p>Verified.</p> |
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| <p>baseline credit preserves the cost-effectiveness of investments in energy efficient technology. <i>See</i> Exh. 101 (09/15/2015), pp. 39-40.</p> <ul style="list-style-type: none"> • Arguing that a baseline credit ensures all customers, including low-use customers, have an incentive to switch to TOU rates. <i>See e.g.</i> Exh. 101 (09/15/2015), p. 39; Opening Brief (01/05/2015), p. 22-23, Joint Reply Brief (01/26/2015), p. 23-25. <p>c. Sierra Club advocated consistently throughout the proceeding for an accelerated pilot process to move to default TOU rates by 2018, and did not join with the many parties that advocated for a 2-year pilot program, believing such a pilot “of undefined sample size and followed by further reporting and additional procedure does not facilitate a timely transition toward more widespread TOU adoption.” Joint Reply Brief (01/26/2015), p. 25; <i>see also</i> Opening Brief (01/05/2015), p. 25-26,</p> | <p>(Conclusion of Law 45). This holding is justified by many of the arguments advanced by Sierra Club. For example, the Decision holds that a baseline credit addresses the incentive low users would otherwise have to stay on tiered rates, and removes high users’ incentive to switch to TOU but not shift load. Finding of Fact 115; <i>see also</i> pp. 97 (policy reasons for a baseline credit) and 137.</p> <p>c. The Decision requires the IOUs to “quickly and thoroughly evaluate all areas of transition to default TOU” and to complete the transition by 2019. <i>See, e.g.</i>, Decision at p. 129; Finding of Fact 157, Conclusion of Law 48. The Decision agrees with Sierra Club’s position that “the record does not reflect any basis for delaying default TOU past 2018.” <i>See</i> Decision, p.172</p> | |
| <p>5. Volumetric GHG Credit: Sierra Club and NRDC jointly advocated that greenhouse gas costs should be fully reflected in upper tier residential rates, ending the volumetric credit that was previously in place. <i>See, e.g.</i>, Opening Brief (01/05/2015), p. 29, Joint Reply Brief (01/26/2015), pp. 26-27.</p> | <p>The Decision adopted Sierra Club’s recommendation, over the objections of all three utilities, and discontinued the volumetric credit. <i>See</i> Decision Findings of Fact 195 - 197 at p. 326; Conclusion of Law 29 at p. 331.</p> | <p>Verified.</p> |

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| <ul style="list-style-type: none"> Sierra Club and NRDC argued that PG&E's Phase 2 settlement is inconsistent with D.12-12-033 because it "mutes the carbon price signal, in direct contradiction to the Commission's specific holding that 'the carbon price signal should be fully reflected in residential rates and all remaining revenue should be returned on a non-volumetric basis.'" Joint Reply Brief (01/26/2015), p. 26. | <ul style="list-style-type: none"> "As noted by NRDC, the volumetric credit 'mute[s] the carbon price signal in upper-tier residential rates.' This defeats one of the goals of the Cap-and-Trade Program and also the Commission's primary policy objective in D.12-12-033 to ensure that rates reflect a carbon price signal ..." Decision at p. 254. | |
| <p>6. <u>2014 Interim Rates (Phase 2):</u> In Phase 2, Sierra Club and NRDC protested the Utilities' original proposals for Summer 2014 interim rates, advocating for more gradual increases.</p> <ul style="list-style-type: none"> Sierra Club and NRDC jointly protested PG&E's original rate change proposal, arguing that the "proposed flattening of tiers by reducing the differentials between each tier exceeds "modest" and "interim" rate design changes. These proposals are excessive and prejudice the outcome of the arguments made in Phase 1." See Protest (12/23/2013) at p. 3. | <p>Sierra Club participated actively in the settlement process, resulting in settlement agreements for all three utilities that stuck to more gradual interim rate increases. The settlements were adopted through the Phase 2 Decision (D.14-06-029). See Phase 2 Decision at pp. 27-30, 33-36.</p> | Verified. |

B. Duplication of Effort (§ 1801.3(f) and § 1802.5):

| | Intervenor's Assertion | CPUC Discussion |
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| a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?¹ | Yes | Verified. |
| b. Were there other parties to the proceeding with | Yes | Verified. |

¹ The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

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| positions similar to yours? | | |
| c. If so, provide name of other parties: NRDC, EDF, TURN, CforAT, Greenlining, SEIA, CALSEIA, TASC, Vote Solar, UCS. | | Verified. |
| d. Intervenor's claim of non-duplication: Sierra Club's position and perspective was most closely aligned with NRDC. Accordingly, Sierra Club coordinated very closely with NRDC to avoid duplication of issues. Where possible, Sierra Club submitted joint briefing and comments with NRDC including a joint reply brief and joint comments on the PD and APD, and scheduled joint ex-parte meetings. With respect to expert testimony, NRDC focused on the relationship of rate design and short term, behavioral conservation. Sierra Club's expert testimony was focused on impacts on long term conservation through changes to payback periods and reductions in the economic incentive to invest in BTM generation and energy efficient technology. These complementary but non-duplicative perspectives helped build a stronger case for rate design that is consistent with state environmental and climate goals. Sierra Club also participated in regular coordination calls with the solar parties to identify areas of non-duplication, and consulted with consumer parties similarly. As a result of this coordination, Sierra Club identified other parties focusing on cost-of-service and marginal cost allocation, and focused its testimony and briefs on environmental impacts of rate design components. Sierra Club was the only party to focus on impacts to energy efficiency technology. Sierra Club's analysis on these issues was a unique contribution to this proceeding that furthered Commission understanding of the relationship between rates and achievement of state environmental objectives. | | Verified. |

PART III: REASONABLENESS OF REQUESTED COMPENSATION

A. General Claim of Reasonableness (§ 1801 and § 1806):

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| a. Intervenor's claim of cost reasonableness: While it is difficult to quantify all benefits of rate design reform, Sierra Club's substantial contributions assisted the Commission in understanding the impacts of rate design options on conservation, energy efficiency, and distributed renewable generation. Maximizing these demand-side efforts reduce system costs to ratepayers by avoiding the need for additional investment elsewhere and help California reduce air and greenhouse gas pollution. By advancing demand-side considerations in rate design, Sierra Club assisted the Commission to integrate important related rate design principles (RDPs) in conducting this comprehensive reform effort. The rejection of the fixed charge, transition to default TOU rates that include a baseline credit and the modest increase to Tier 2 above the initial IOU | CPUC Discussion Verified. |
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| proposals with implementation of the Super User Energy surcharge are issues where Sierra Club's substantial contributions helped ensure rates are more equitable, facilitate achievement of state climate objectives, and maintain California leadership in forward-thinking rate design. | |
| <p>b. Reasonableness of hours claimed:</p> <p>This three-year proceeding was unusually extensive, with multiple workshops to coordinate party efforts to propose original rate design reform proposals, then present proposals in workshops and comment on party proposals, followed by a formal IOU rate Application process that required quantitative analysis to develop testimony, in-depth witness examination, and several briefing and comment rounds. Participatory time in workshops and hearings was necessary to actively engage in complex and dynamic discussions. Given the length, level of detail, and contentiousness of this proceeding, Sierra Club hours are reasonable. In addition, final resolution of this proceeding involved both a PD and an APD, requiring extensive advocacy to secure a final decision that furthered Sierra Club position (no fixed charge, differentiated tiers, and default TOU with baseline). To minimize total hours, Sierra Club worked closely with NRDC on joint filings to the extent possible. Internally, Sierra Club Senior Attorney Matt Vespa took an oversight and review role to Andy Katz and Alison Seel, which required fewer hours. Andy Katz and Alison Seel led in different issues and tasks to further avoid excessive duplication. Although two Sierra Club attorneys frequently attended the workshops and hearings in this proceeding, this IComp request limits compensation for multiple attorneys to limited circumstances, such as where Sierra Club's witness was testifying and additional legal support was needed.</p> | Verified. <i>But see</i> CPUC Disallowances & Adjustments, below. |
| <p>c. Allocation of hours by issue: (see attachment 10 for spreadsheet calculation)</p> <p>Environmental Considerations – 8.5% Tiers – 29.8% Fixed Charges – 27.8% TOU rates – 25.9% GHG Costs – .2% 2014 Interim Rate (Phase II) – 1.3% General Participation – 6.6%</p> | Verified. |

B. Specific Claim:*

| CLAIMED | | | | | | CPUC AWARD | | |
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| ATTORNEY, EXPERT, AND ADVOCATE FEES | | | | | | | | |
| Item | Year | Hours | Rate \$ | Basis for Rate* | Total \$ | Hours | Rate \$ [1] | Total \$ |
| Matt Vespa | 2012 | 14 | 315 | D.15-01-044 | \$4,410 | 12.8 | \$315 | \$4,032.00 |

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| | | | | | | [2] | | |
| Matt Vespa | 2013 | 37.1 | 320 | D.1501046 | 11,872 | 37.1 | \$320 | \$11,872.00 |
| Matt Vespa | 2014 | 41.7 | 330 | D.1501046 | 13,761 | 41.7 | \$330 | \$13,761.00 |
| Matt Vespa | 2015 | 7.9 | 330 | D.1501046 | 2,607 | 0 | \$330 | \$0.00 |
| Alison Seel | 2014 | 82.5 | 180 | See Comment #1 | 14,850 | 82.5 | \$180 | \$14,850.00 |
| Alison Seel | 2015 | 79.9 | 190 | See Comment #1 | 15,181 | 79.90 | \$190 | \$15,162.00 |
| Andy Katz | 2012 | 43.9 | 205 | D.13-11-021 | 8,999.50 | 42.0 [3] | \$205 | \$8,610.00 |
| Andy Katz | 2013 | 122.8 | 220 | D.13-11-021 | 27,016 | 122.8 | \$220 | \$27,016.00 |
| Andy Katz | 2014 | 229 | 300 | D.13-11-021; Resolution ALJ-303; see Comment #2 | 68,700 | 229.00 | \$300 | \$68,700.00 |
| Andy Katz | 2015 | 101 | 315 | Res. ALJ- 308; see Comment #2 | 31,815 | 101 | \$315 | \$31,815.00 |
| Kevin Bell | 2013 | 114 | 270 | Res. ALJ- 308; See Comment #3 | 30,780 | 114.00 | \$270 | \$30,780.00 |
| Mark Buckley | 2013 | 86.5 | 310 | Res. ALJ- 308; See Comment #4 | 26,815 | 86.5 | \$300 | \$25,950.00 |
| Ben Toscher | 2013 | 13 | 150 | Res. ALJ- 308; See Comment #5 | 1,950 | 13.00 | \$150 | \$1,950.00 |
| Ben Toscher | 2014 | 203.3 | 160 | Res. ALJ- 308; See Comment #5 | 32,528 | 203.30 | \$160 | \$32,528.00 |
| James Barsimanto v | 2013 | 246.9 | 210 | D.15-07-025 | 51,849 | 246.9 | \$210 | 51,849.00 |
| James Barsimanto v | 2014 | 187.1 | 225 | D.15-07-025; Res. ALJ- 303; See Comment #6 | 42,097.50 | 187.1 | \$225 | \$42,097.50 |
| Dustin | 2013 | 66 | 190 | D.15-07-025 | 12,540 | 66.00 | \$190 | \$12,540.00 |

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| Mulvaney | | | | | | | | |
| Dustin Mulvaney | 2014 | 16.5 | 205 | D.15-07-025; Res. ALJ-308; See Comment #7 | 3,382.50 | 16.5 | \$205 | \$3,382.00 |
| Subtotal: \$401,153.50 | | | | | | Subtotal: \$396,894.50 | | |
| INTERVENOR COMPENSATION CLAIM PREPARATION ** | | | | | | | | |
| Item | Year | Hours | Rate \$ | Basis for Rate* | Total \$ | Hours | Rate | Total \$ |
| Matt Vespa | 2012 | | | | | 1.2 | \$157.50 | \$189.00 |
| Andy Katz | 2012 | | | | | 1.9 | \$102.50 | \$194.75 |
| Andy Katz | 2015 | 6.6 | 157.5 | ½ Attorney Rate | 1,039.50 | 6.6 | \$157.50 | \$1,039.50 |
| Matt Vespa | 2015 | 5.4 | 165 | ½ Attorney Rate | 891 | 5.4 | \$165 | \$891.00 |
| Alison Seel | 2015 | 5 | 95 | ½ Attorney Rate | 475 | 5.00 | \$95 | \$475.00 |
| Subtotal: \$2,405.50 | | | | | | Subtotal: \$2,789.25 | | |
| COSTS | | | | | | | | |
| # | Item | Detail | | | Amount | Amount | | |
| 1 | Research | Purchase of article “Behind the PV price declines” | | | 37.95 | \$37.95 | | |
| 2 | Photocopying | Cost of producing bound copies of Exhibit 101, and copies of other exhibits. | | | 203.36 | \$203.36 | | |
| TOTAL REQUEST: \$ 403,800.31 | | | | | | TOTAL AWARD: \$399,925.06 | | |
| <p>**We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer’s normal hourly rate</p> | | | | | | | | |

| ATTORNEY INFORMATION | | | |
|----------------------|--------------------------------------|---------------|---|
| Attorney | Date Admitted to CA BAR ² | Member Number | Actions Affecting Eligibility (Yes/No?) If “Yes”, attach explanation |
| Andy Katz | 12/01/2009 | 264941 | No |
| Matt Vespa | 12/06/2002 | 222265 | No |
| Alison Seel | 12/05/2014 | 300602 | No |

C. Attachments Documenting Specific Claim and Comments on Part III

| Comment # | Sierra Club’s Comment(s) |
|-----------|---|
| Comment 1 | First-time representative – rate request for Alison Seel: Sierra Club seeks an hourly rate of \$180 for first time representative Alison Seel. This rate is in the middle of the range permitted by Resolution ALJ-308, for attorneys with zero to 2 years of experience. Ms. Seel holds a J.D. from the University of California, Berkeley School of Law and a Master’s of Science from the Energy and Resources Group at the University of California, Berkeley. Ms. Seel has studied and worked in the area of energy law and policy in various capacities for the past six years. Over that time, Ms. Seel has gained experience in the design of renewable energy policies, utility regulation, and quantitative evaluation of energy-related matters. In addition to her legal education, Ms. Seel studied electrical engineering and the operation electric power systems as part of her curriculum at the Energy and Resources Group. During that time, she worked for a number of organizations practicing before the Commission, including the Office of Ratepayer Advocates, NRG Energy, and Vote Solar. Sierra Club requests the first 5% step increase for the 2015 rate. |
| Comment 2 | 2014 and 2015 Hourly Rate for Andy Katz: Mr. Katz initially received a rate in D.12-03-032, and most recently in D.13-11-021, and is seeking a new rate at the bottom end of the 5 - 7 year experience range set forth in Resolution ALJ-303, per the process set forth for representatives moving to a higher experience level in D.08-04-010 (see page 8). This request was requested previously and is pending in R.11-05-005. Sierra Club requests the first 5% step increase for the 5 – 7 year experience level for the 2015 rate. |
| Comment 3 | First-time representative – rate request for Kevin Bell: Sierra Club requests an hourly rate of \$270 for first time representative Kevin Bell. This rate is in the middle of the range permitted by Resolution ALJ-308, for experts with more than 13 years of experience. Mr. Bell is the Senior Energy Consultant for EcoShift Consulting and has over thirty years of experience in energy and water resource policy and innovation, working in the public, private, and non-profit sectors as a researcher, regulator, and consultant. His expertise includes the design and implementation of energy and carbon |

² This information may be obtained through the State Bar of California’s website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.

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| | models and public policies for enabling the low-carbon economy. He was the founding CEO of a successful startup venture, which developed a new generation of tools for science and mathematics education. He received his Masters' Degree in Public Administration from the Harvard Kennedy School of Government. |
| Comment 4 | First-time representative – rate request for Mark Buckley: Sierra Club requests an hourly rate of \$310 for Expert Mark Buckley. Dr. Buckley is the Project Director and Partner for ECONorthwest. He earned his Ph.D. in Environmental Studies from the University of California, Santa Cruz, and his B.A. in Economics, from Davidson College. He has 14 years of experience. Mark Buckley develops economic models and analytical methods for planning and behavior involving resources and land management. In particular, he combines microeconomic and game-theoretic techniques with competence in the biophysical aspects of natural systems. Dr. Buckley specializes in bringing an intuitive approach to understanding individual and group incentives to account for decision-making in policy design. His work addresses economic benefits of improved green infrastructure; adapting utility resource use to climate change in Hawaii; cost-effective approaches to energy and water policy and finance; analyses of cost and risk reduction for large wildfires; utility planning for King County, Washington; and development of tools for communities to select appropriate resource portfolios in coastal California. He has also developed natural resource valuation tools for the Jamaican national government with funding from UNDP. Buckley has published research in peer-reviewed journals and edited books, and served as an adjunct professor for environmental economics at Portland State University. |
| Comment 5 | First-time representative request for Ben Toscher: Ben Toscher received his BBA in Finance from the University of Texas at Austin and his M.Sc. from the Master's in Renewable Energy program at the University of Jyväskylä, Finland, where his research focused on the water-energy nexus in Concentrated Solar Power Plants in the Southwest Deserts and Innovation Strategies in the Mono and Poly Crystalline Photovoltaic Industries. As a consultant with EcoShift, Ben has worked on several notable projects, including: a pioneering greenhouse gas inventory of fossil fuels on US federal lands, economic, energy, and environmental modeling of a suite of energy efficiency and renewable energy projects for a large (19,000+ student) US institute of higher education, providing financial modeling and technical due diligence for commercial solar projects, an economic and environmental avoided cost analysis of 1,300+ MW of distributed PV generation in Utah, and a life-cycle assessment of recycled plastic material for a global market leader of irrigation equipment. Sierra Club requests the first 5% step increase for the experience level for the 2014 rate. |
| Comment 6 | 2014 Hourly Rate for Expert James Barsimantov Sierra Club requests the first 5% step increase for the 7 - 12 year experience level for the 2014 rate. |
| Comment 7 | 2014 Hourly Rate for Expert Dustin Mulvaney Sierra Club requests the first 5% step increase for the 5 – 7 year experience level for the 2014 rate. |
| Comment 8 | Explanation of non-duplication for certain workshops/hearings. On limited occasions, it was necessary for two attorneys to participate in Commission workshops / hearings. This proceeding was complex and developed a voluminous |

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| | <p>record, and therefore the limited participation of an additional representative at these Commission events and in periodic coordinating meetings was reasonable, particularly in light of comparable or greater levels of representation by other Parties.</p> <p>Specifically, Mr. Katz attended all workshops in the proceeding, and Mr. Vespa participated in parts of workshops during the coordination and rate design principles discussions and when parties presented rate design proposals. Mr. Barsimantov also participated to answer technical questions. Mr. Katz was the primary attorney representing Sierra Club in this proceeding, and Mr. Vespa is the Senior Attorney in Sierra Club's Environmental Law Program, and is responsible for coordinated and consistent representations across Commission proceedings.</p> <p>On the evidentiary hearing date when Sierra Club cross-examined the Joint Utility Witness Dr. Faruqui, and conducted direct examination of Dr. Barsimantov, Alison Seel attended because she had taken the lead role in preparing Dr. Barsimantov for cross-examination.</p> |
|--|---|

D. CPUC Disallowances and Adjustments:

| Item | Reason |
|-------------|--|
| [1] | Based on the resumes attached to Sierra Club's claim, the Commission approves all requested rates except for Buckley. We approve a rate of \$300 for Buckley in 2013. In addition, the requested 5% step-increases are approved. |
| [2] | Vespa's timesheet indicates time spent on reviewing and editing the notice of intent to claim intervenor compensation. Such work is compensated at ½ rate and the hours have been moved to the intervenor compensation heading. |
| [3] | Katz's timesheet indicates time spent on drafting and forwarding the notice of intent to claim intervenor compensation. Such work is compensated at ½ rate and the hours have been moved to the intervenor compensation heading. |

PART IV: OPPOSITIONS AND COMMENTS

| | |
|--|-----|
| A. Opposition: Did any party oppose the Claim? | No. |
| B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c)(6))? | No. |

FINDINGS OF FACT

1. Sierra Club has made a substantial contribution to D.15-07-001.
2. The requested hourly rates for Sierra Club's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.

3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$399,925.06.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

ORDER

1. Sierra Club shall be awarded \$399,925.06.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall pay Sierra Club their respective shares of the award, based on their California-jurisdictional electric revenues for the 2014 calendar year, to reflect the year in which the proceeding was primarily litigated. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning November 25, 2015, the 75th day after the filing of Sierra Club's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.
4. This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

| | | | |
|----------------------------------|--|---------------------------|--|
| Compensation Decision: | | Modifies Decision? | |
| Contribution Decision(s): | D1507001 | | |
| Proceeding(s): | R1206013 | | |
| Author: | ALJ Halligan | | |
| Payer(s): | Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company | | |

Intervenor Information

| Intervenor | Claim Date | Amount Requested | Amount Awarded | Multiplier? | Reason Change/Disallowance |
|-------------------|-------------------|-------------------------|-----------------------|--------------------|--|
| Sierra Club | 09/11/15 | \$403,800.31 | \$399,925.06 | N/A | See CPUC Disallowances and Adjustments, above. |

Advocate Information

| First Name | Last Name | Type | Intervenor | Hourly Fee Requested | Year Hourly Fee Requested | Hourly Fee Adopted |
|-------------------|------------------|-------------|-------------------|-----------------------------|----------------------------------|---------------------------|
| Matt | Vespa | Attorney | Sierra Club | 315.00 | 2012 | 315.00 |
| Matt | Vespa | Attorney | Sierra Club | 320.00 | 2013 | 320.00 |
| Matt | Vespa | Attorney | Sierra Club | 330.00 | 2014 | 330.00 |
| Matt | Vespa | Attorney | Sierra Club | 330.00 | 2015 | 330.00 |
| Alison | Seel | Attorney | Sierra Club | 180.00 | 2014 | 180.00 |
| Alison | Seel | Attorney | Sierra Club | 190.00 | 2015 | 190.00 |
| Andy | Katz | Attorney | Sierra Club | 205.00 | 2012 | 205.00 |
| Andy | Katz | Attorney | Sierra Club | 220.00 | 2013 | 220.00 |
| Andy | Katz | Attorney | Sierra Club | 300.00 | 2014 | 300.00 |
| Andy | Katz | Attorney | Sierra Club | 315.00 | 2015 | 315.00 |
| Kevin | Bell | Expert | Sierra Club | 270.00 | 2013 | 270.00 |
| Mark | Buckley | Expert | Sierra Club | 310.00 | 2013 | 300.00 |
| Ben | Toscher | Expert | Sierra Club | 150.00 | 2013 | 150.00 |

| | | | | | | |
|--------|-------------|--------|-------------|--------|------|--------|
| Ben | Toscher | Expert | Sierra Club | 160.00 | 2014 | 160.00 |
| James | Barsimantov | Expert | Sierra Club | 210.00 | 2013 | 210.00 |
| James | Barsimantov | Expert | Sierra Club | 225.00 | 2014 | 225.00 |
| Dustin | Mulvaney | Expert | Sierra Club | 190.00 | 2013 | 190.00 |
| Dustin | Mulvaney | Expert | Sierra Club | 205.00 | 2014 | 205.00 |

(End of Appendix)